

**MINUTES OF THE
UTAH COMPREHENSIVE HEALTH INSURANCE POOL
BOARD OF DIRECTOR'S MEETING**

**July 18, 2013
Select Health
Board Room
1:00 p.m.**

Directors Present: Elizabeth Hunter, Chair; Norm Thurston; Todd Kiser; Steve Canfield; Chet Loftis; Robert Perry; Frank Kyle; Randall Smart; Doug Hasbrouck M.D.; Steve Bateman

Directors Absent: Matthew Minkevitch; Steve Neeleman;

Present by Invitation: Tomi Ossana; Perri Ann Babalis; Sally Burns; Kempton Paige; Troy Pritchett

SelectHealth Staff Present: Jim Murray; Maren Donaldson ; Jesse Liddell; LoisAnn Jones

The meeting was called to order at 1:04 p.m. by Elizabeth Hunter, Chair.

APPROVAL OF MINUTES—Elizabeth Hunter

The HIPUtah minutes of May 2, 2013 were presented. They were approved with no corrections.

LOSS RATIO AND ADMINISTRATIVE REPORT-HIPUTAH AND FEDERAL HIPUTAH—Jesse Liddell

The Administrative reports for both State (HIPUtah) and Federal (Federal-HIPUtah) pools as well as the Loss Ratio report were presented. **Moved- Norm Thurston; second Steve Canfield**

ACTUARIAL REPORT AND FINANCIAL PROJECTIONS (HIPUTAH AND FEDERAL-HIPUTAH)—Troy Pritchett

Federal-HIPUtah

Federal HIPUtah has termed all members effective July 1, 2013. The federal government has transferred the administration of all PCIP pools to the GEHA. It is projected \$3.5 million will be needed to complete the run out of the program.

HIPUtah

The actuary presented three possible scenarios for the HIPUtah program once the market place offers coverage:

- 1) The program continues with a 50% drop in enrollment in January then a 2% drop in enrollment each month following; an estimated \$8 million would be left after run out.
- 2) The program continues and enrollment stays level. This scenario would require additional funds.
- 3) Terminate all HIPUtah enrollees effective 12/31/13. An estimated \$15 million would be left after run out.

HIPUTAH FY 2013 & FY 2014 BUDGET REVIEW—Tomi Ossana

Fiscal year 13 ended June 30, 2013. The financial audit has begun and should be completed by the end of September. The cost of the audits has gone up from \$12,000 to \$20,000. Tomi presented budget comparisons to the three scenarios Troy presented.

FEDERAL-HIPUTAH BUDGET REVIEW AND CY 13 UPDATE—Tomi Ossana and Sally Burns

Federal HIPUtah budget includes 18 months run out for claims as well as two audits. Total operating losses are projected at \$62 million. Budget is at \$63 million. **It was moved to allow Tomi to request additional funding if needed.** Moved—Rob Perry; second—Doug Hasbrouck. Motion carried.

REINSURANCE ANALYSIS—Troy Pritchett and Tomi Ossana

Troy made projections for what the individual market place will look like in 2014. Reinsurance will last the first 3 years of the open market. At that point rates are projected to be up 3% to 6% from the beginning of the program. Three options were given for the HIPUtah board to assist by either:

- 1) Maintaining the HIPUtah funding as is
- 2) Offering a group tax
- 3) Tapping into the self-insured markets
- 4) Doing nothing

Representative Dunnigan has informed Tomi he plans on doing nothing for the reinsurance. A request was made for Tomi to try again later.

RISK POOL ENROLLEES TRANSITION TO THE EXCHANGE—Tomi Ossana

The transition team met to discuss how HIPUtah Enrollees will transition to the Health Insurance Marketplace established under the Affordable Care Act. Tomi presented her power point presentation on the HIPUtah transition plan. Tomi also presented the recommendations that came from the transition team meeting.

It was moved that all HIPUtah enrollees be terminated effective 12/31/13. Moved—Doug Hasbrouck; second Rob—Perry. Motion carried.

It was moved to not leave HIPUtah open until at least 2015. Moved—Norm Thurston; second—Randy Smart. Motion carried.

An initial motion was made to terminate the program as of December 31, 2013 by Doug Hasbrouck. After further discussion the motion was removed, an alternate motion was substituted. **It was moved that all HIPUtah membership be terminated December 31, 2013 and the program remain open until general legislative session 2015 to determine if, at that point, the program may be necessary.** Moved—Doug Hasbrouck; Second—Randy Smart. Motion carried.

ACTION ITEMS- Tomi Ossana

SelectHealth's contract was renewed previously effective 07/01/13 with a one year renewal at 07/01/14. The contract needs to be reviewed to determine if the contract includes the close out of the program including audits.

The underwriting auditor's contract expires 10/31/13. There was discussion on the limited number of months left in the program and how that would affect the necessary RFP process to renew the contract. **It was moved that the underwriting auditor's contract not be renewed.** Moved—Doug Hasbrouck; second—Rob Perry. Motion carried.

NASCHIP's fall forum is scheduled for September in San Antonio. **It was moved that Tomi and Sally attend the forum.** Moved—Rob Perry; second—Steve Canfield. Motion carried.

PREMIUM ASSISTANCE SUBSIDY- Tomi Ossana

An additional \$987,000 has been granted giving a total of \$1.6 million. Tomi and Troy met to find options to maximize the funds. Troy recommends either the discounts go back to the original levels of 8%, 25% or 50% August 1st or give all members on the PAS program the month of December free.

After lengthy discussion, it was moved to raise the discounts to the original levels effective September 1st and any additional funds go back to the enterprise fund. Moved- Norm Thurston; second- Doug Hasbrouck M.D.

NEXT MEETING

The next Board meeting has been scheduled for Thursday, September 12, 2013, 1:00 P.M. at SelectHealth.